

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

----- X
: 15cv3435 (DLC)
GEORGE TOWN ASSOCIATES S.A., :
: ORDER
Plaintiff, :
:
-v- :
:
ABAKAN, INC. and MESOCOAT, INC., :
:
Defendants. :
:
----- X

DENISE COTE, District Judge:

Plaintiff George Town Associates S.A. ("George Town") filed a complaint on May 4, 2015, seeking damages and equitable relief. On June 18, the plaintiff moved for summary judgment and to dismiss the defendants' counterclaim. On July 28, the plaintiff moved for an order finding Abakan, Inc. ("Abakan") and MesoCoat, Inc. ("MesoCoat") in contempt and for the appointment of receiver over MesoCoat. Following a hearing on August 14, 2015, Robert Seiden was appointed as Receiver over MesoCoat. Earlier today, the plaintiff's June 18 motion for summary judgment was granted.

The Court has considered the pleadings, declarations, exhibits, and memoranda filed by the parties and the record at the evidentiary hearing held on August 14, as well as the parties' August 17 submissions addressed to the terms of the receivership, and finds that:

1. This Court has jurisdiction over the subject matter of

this case and all parties thereto;

2. There is good cause to believe that absent the relief requested herein, George Town will suffer irreparable injury;

3. Abakan defaulted on the secured promissory note at issue in this action and summary judgment was entered in George Town's favor on August 18, 2015. Weighing the equities, considering George Town's success on the merits, and for the reasons stated on the record on August 14;

4. Good cause exists for appointment of Robert Seiden as Receiver over MesoCoat with the following powers:

- a) Holding cash and payment obligations in trust for George Town;
- b) Taking possession of the collateral and, for that purpose, entering, with the aid and assistance of any person, any premises where the collateral is or may be placed and remove the same;
- c) Exercising discretion in all voting and consensual rights of MesoCoat, receiving cash dividends, interest, and other payments on the collateral, and exercising all rights with respect to the collateral as if it were the sole and absolute owner thereof;
- d) Operating MesoCoat's business using the collateral and to assign, sell, lease, or otherwise dispose of all or any part of the collateral, without demand upon or notice to MesoCoat;
- e) Notifying MesoCoat's account debtors and obligors to make payments directly to George Town, and enforcing MesoCoat's rights against such account debtors and obligors;
- f) Directing any financial intermediary or any other entity holding any investment property to transfer the

same to George Town;

- g) Transferring all intellectual property registered in MesoCoat's name with the U.S. Patent and Trademark Office (or the U.S. Copyright Office) into George Town's name;
- h) Disposing of the collateral; and
- i) Using, licensing, or sublicensing any intellectual property owned by MesoCoat.

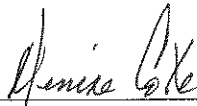
IT IS FURTHER ORDERED that any and all actions taken by the Receiver pursuant to this Order shall be effectuated in a manner which is consistent with federal and state laws as are applicable to a receiver. The Receiver's liability, if any, shall be consistent with his role as a fiduciary.

IT IS FURTHER ORDERED that the Receiver shall provide statements of account not less than every 30 days to the parties in this action.

IT IS FURTHER ORDERED that, prior to either assigning, disposing of, transferring, or hypothecating any collateral belonging to MesoCoat with a value of in excess of \$50,000.00, the Receiver shall first give 7 days prior notice to the parties in this action.

SO ORDERED:

Dated: New York, New York
August 18, 2015



DENISE COTE
United States District Judge